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June 15, 2007

Dominique Dillenseger, Esq. Office of the General Counsel Federal Election Commission 999 E Street, NW Washington, DC 20463

Re: MUR 5914

Dear Ms. Dillenseger:

The undersigned represents the Democratic Party of Oklahoma ("DPO"), and Jana Harkins, in her official capacity as Treasurer<sup>1</sup> in the above mentioned matter. This matter was generated by the Commission after the DPO amended its 2004 Pre-General report filed in March 2005 to include \$235,098.40 in additional receipts and its 2004 Post-General Report to include \$320,233.56 in additional debts.

As a threshold matter, we note that the failure to accurately file the above mentioned reports was inadvertent and due to the unprecedented amount of activity undertaken by the party in connection with the 2004 election for United States Senate. The committee had not participated in an election of this level in quite some time and its infrastructure was not suited to handle the high volume of activity associated with this election. The compliance situation was exacerbated by the need to use temporary campaign staff who worked in a satellite office. These factors lead to miscommunications between the compliance and campaign staff, which in turn lead to the reporting errors at issue in this matter.

<sup>&</sup>lt;sup>1</sup> Please note that Nina Ritchie is no longer the Treasurer of the DPO

Without any prodding by the Commission, the DPO retained a highly professional and respected outside compliance consulting company to handle all aspects of the DPO's campaign compliance operation, including the filing of reports with the Commission. As you may know, the committee was audited for the 2005-2006 cycle by the Commission and it is our understanding that the audit will find that all aspects of the DPO's operations during the 2006 cycle were in material compliance with the Commission's regulations and reporting requirements.

Subsequent to the 2004 general election, the DPO found itself in debt of several hundred thousands of dollars. The DPO has struggled to raise additional funds to pay off most of this debt but approximately \$60,000 still remains. Of course, such difficult debt retirement has taken its toll on the DPO and its Chair and Treasurer have recently resigned and it is our understanding that the DPO currently has no full time staff. In addition, the DPO has committed to maintaining an adequate compliance program to prevent future violations and it has other similar ongoing obligations such as rent to keep its doors open. Thus, the monthly budget of \$25,000, while modest for operating expenses such as rent, utilities and maintenance of its voter lists and computer equipment, already consumes the DPO's current fundraising efforts. As of June 10<sup>th</sup>, the committee only had approximately \$12,000 of cash on hand, of this \$10,000 was in a Levin account, which, by state law, can only be used for the non-federal portion of Levin activity. Thus, for all intents and purposes, the committee is currently operating with approximately \$2,000 in the bank and owes \$60,000.

The violations occurred more than three years ago under a previous administration. Although the new Chair is hopeful that he can get a fundraising operation going in the near future, his task is quite daunting and there will be a long road to recovery. As a new Chair with no prior experience as a party officer, it will be a hard and

difficult road to create the infrastructure necessary to ensure the financial stability of the DPO for the foreseeable future

The DPO has already recognized the mistakes of the past, made changes to prevent future problems, cut expenses that other similar organizations consider necessary and in about to embark on new fundraising activities.

Please contact us at your earliest convenience to discuss this matter further at (202) 479-1111.

Sincerely,

Neil Reiff

Stephen Hershkowitz

Counsel to the Democratic Party of Oklahoma, and Jana Harkins as

Treasurer